## Message Text

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15

ACTION TRSE-00

INFO OCT-01 EA-11 ADP-00 NEA-10 IO-12 L-03 H-02 PA-03

PRS-01 USIA-12 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 XMB-07 OPIC-12 CIEP-02 LAB-06

SIL-01 OMB-01 NSC-10 SS-15 STR-08 CEA-02 RSR-01 /164 W

R 070352 Z MAY 73 FM AMEMBASSY MANILA TO SECSTATE WASHDC 4994 INFO AMEMBASSY BANGKOK AMEMBASSY TAIPEI

**UNCLAS MANILA 5200** 

USADB

FOR NAC AGENCIES BANGKOK FOR RED

E. O. 11652: N/A

TAGS: EAID, EFIN, CH, TW

SUBJ: PRC AND ADB

FOLLOWING IS TEXT OF NEWSPAPER ARTICLE BY VICENTE MALIWANAG, UNITED PRESS INTERNATIONAL, THAT APPEARED IN BULLETIN TODAY OF MAY 7 AND TIMES- JOURNAL OF MAY 6: QUOTE

ASIAN DEVELOPMENT BANK CITES TERMS FOR PEKING'S ENTRY

BY VICENTE MALIWANANG UNITED PRESS INTERNATIONAL

THE ASIAN DEVELOPMENT BANK (ADB), ONE OF THE FEW INTERNATIONAL ORGANIZATIONS IN WHICH CHINA IS STILL AN OUTSIDER, HAS MADE IT CLEAR THAT PEKING CAN JOIN THE BANK ONLY ON THE ADB'S OWN TERMS.

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BANK OFFICIALS HAVE INDICATED THAT WHILE THE PEOPLE'S REPUBLIC OF CHINA IS ENTITLED TO JOIN THE ADB, BEING A MEMBER OF THE UNITED NATIONS, ITS ENTRY WILL NOT MEAN THE AUTOMATIC OUSTER OF TAIWAN, WHICH IS CARRIED IN THE BANK'S MEMBERSHIP ROLLS AS THE REPUBLIC OF CHINA

ALTHOUGH NONE OF THE OFFICIALS WILL OFFICIALLY ACKNOWLEDGE IT, THE PROVISIONS ON MEMBERSHIP IN THE ADB CHARTER STRONGLY IMPLY THAT THERE IS ROOM FOR BOTH CHINA AND TAIWAN IN THE BANK. WHETHER EITHER PARTY WILL ACCEPT SUCH A SITUATION, HOWEVER, IS ANOTHER QUESTION.

THE CHINA MEMBERSHIP ISSUE WILL UNDOUBTEDLY BE ONE OF THE MOST4 CONVERSATION WITH PRIME MINISTER

BANDARANAIKE, SHE SPENT MAJOR PORTION OF TIME DISCUSSING

OUTCOME OF PRIME MINISTER INDIRA GANDHI'S APRIL 27-29 VISIT

TO SRI LANKA (OTHER SUBJECTS REPORTED REFTEL). HER REMARKS

ON VISIT, WHICH SHE CHARACTERIZED AS SUCCESSFUL FROM SRI

LANKA'S VIEWPOINT, COVERED FOLLOWING TOPICS: (1) TAMIL

REPATRIATION; (2) DISPUTE OVER KACHCHATIVU ISLAND; (3) SRI

LANKA - INDIA TRADE PROSPECTS; AND (4) OVERALL ATMOSPHERE

OF SRI LANKA- INDIAN RELATIONS.

- 3. RE TAMIL REPATRIATION, MRS BANDARANAIKE SAID SHE WAS GENERALLY PLEASED WITH FORMULA WHEREBY INDIA AGREED TO TAKE 10 PERCENT MORE REPATRIATES EACH YEAR THEN PREVIOUS YEAR UNTIL TOTAL OF 525,000 TAMILS AGREED TO UNDER 1964 SIRIMAVO- SHASTRI AGREEMENT HAD BEEN REPATRIATED. HOWEVER, IT SHOULD BE NOTED THAT THIS WAS NOT A NEW FORMULA. EVEN BEFORE INDIAN FOREIGN SECRETARY KEWAL SINGH'S VISIT TO COLOMBO IN FEBRUARY, SHE HAD EXCHANGED LETTERS WITH MRS GANDHI IN WHICH MRS GAND I HAD AGREED. AT LEAST INFORMALLY. TO 10 PERCENT PER ANNUM ACCELERATED REPATRIATION FORMULA. KEWAL SINGH HAD RENEGED ON THIS UNDERSTANDING ON LAST DAY OF HIS VISIT, POSSIBLY UNDER PRESSURE FROM S. THONDAMAN, PRESIDENT OF THE CEYLON WORKERS CONGRESS, WHO REPRESENTED BULK OF THE INDIAN ESTATE LABOR IN SRI LANKA. IMPORTANT TASK WAS TO INSURE THAT GSL BUREAUCRATIC RED TAPE. OR THONDAMAN SABOTAGE EFFORTS, DID NOT SLOW UP REPATRIATION PROCESS.
- 4. MRS BANDARANAIKE ALSO SAID SOME PROGRESS HAD BEEN MADE TO RESOLVE ISSUE OF 150,000 INDIAN TAMILS WHOSE DISPOSITION HAD BEEN UNDECIDED BY 1964 AGREEMENT. SHE HAD PROPOSED GSL AND GOI NOW COME TO UNDERSTANDING ON RESIDUAL 150,000 RATHER T AN POSTPONE DECISION UNTIL AFTER IMPLEMENTATION OF CONFIDENTIAL.

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1964 AGREEMENT. GSL HAD SUGGESTED THAT THESE 150,000 COULD BE GIVEN INDIAN CITIZENSHIP AND CEYLON CITIZENSHIP ON 7 TO 4 RATIO BASIS, SAME RATIO WHICH HAD BEEN USED UNDER 1964

AGREEMENT. A SRI LANKA- INDIAN COMMITTEE, TO BE ACTIVATED SOON, WOULD LOOK INTO THIS QUESTTION. HOPEFULLY, THIS COMMITTEE WOULD NOT BE USED TO BURY ISSUE.

5. MRS BANDARANAIKE SAID THAT SHE HAD DISCUSSED KACHCHATIVU ISLAND DISPUTE DURING HER 1-1/2 HOURS OF PRIVATE CONVERSATION WITH MRS GANDHI BECAUSE SHE HAD LEARNED FROM EXPERIENCE THAT "INDIAN BUREAUCRATS OFTEN GETTIN THE AAS". SHE HAD POINTED OUT THAT CEYLON'S CLAIN DATED BACK TO 1665

WHEREAS VAGUE INDIAN CLAIM HAD ONLY BEEN PUT FORWARD WITH PAST 25 YEARS. FURTHERMORE, SURANDRA PAL SINGH STATEMENT IN INDIAN PARLIAMENT CLAIMING KACHATIVU AND DEPLOYMENT OF INDIAN NAVAL VESSELS AROUND KACHCHATIVU DURING THE RECENT RELIGIOUS FESTIVITIES HAD BEEN MOST UNHELPFUL. SHE HAD SUGGESTED TOMRS GANDHI ONE WAY OF RESOLVING DISPUTE WOULD BE FOR BOTH COUNTRIES TO ACCEPT AN ALREADY ESTABLISHED FISHING DEMARCATION LINE BETWEEN SRI LANKA AND INDIA. IF INDIA AGREED, KACHCHATIVU WOULD FALL ABOUT 3-1/2 MILES SOUTH OF THE LINE AND THUS WITHIN SRI LANKA'S TERRITORY. SRI LANKA, ON ITS PART, MIGHT BE WILLING NOT TO PRESS ITS TERRITORIAL WATERS CLAIMS IN NORTH TO FULL 12- MILE LIMIT. MRS GANDHI HAD NOT MADE ANY FIRM COMMITMENT ON THIS POINT, BUT SHE HAD AGREED TO REFER IT TO SRI LANKA- INDIAN COMMITTEE. VAN HOLLEN

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<sup>\*\*\*</sup> Current Handling Restrictions \*\*\* n/a

<sup>\*\*\*</sup> Current Classification \*\*\* UNCLASSIFIED

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